IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION

THE CHAMBERLAIN GR	OUP LLC,	§	
	Plaintiff,	§ §	Case No. 2:21-cv-0084-JRG
v.		§	
		§	JURY TRIAL DEMANDED
OVERHEAD DOOR CORPORATION and		§	
GMI HOLDINGS INC.,		§	
		§	
	Defendants.	§	
		§	

<u>DEFENDANTS' MOTION TO COMPEL</u> <u>PRODUCTION OF DOCUMENTS AND WRITTEN DISCOVERY</u>

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RULES
FED. R. CIV. P. 26(b)(1)

Defendants respectfully request that the Court compel The Chamberlain Group LLC ("Chamberlain") to provide complete discovery relating to the following subjects: (A) Chamberlain's ability to meet demand for the allegedly infringing products, including its manufacturing capacity; (B) a "reconstructed" prototype that Chamberlain claims supports an earlier conception date for the '404 patent; and (C) documents on Chamberlain's privilege log for which Chamberlain has failed to provide adequate information to support its privilege claims.

With respect to the first issue, during the reopened discovery period, the parties exchanged supplemental discovery requests, including interrogatories, document requests, and deposition notices. Defendants sought documents related to the ability of Chamberlain to meet demand for sales that it claims to have lost as a result of Defendants' alleged infringement. This included documents concerning Chamberlain's manufacturing capacity, as well as sales lost because of COVID, global supply-chain issues, and the exclusion of Chamberlain's products from importation into the United States in view of the International Trade Commission's findings that Chamberlain infringed three of Defendants' patents. Despite the undisputed relevance of this discovery to Chamberlain's claim for lost-profits damages, Chamberlain has produced to date only

deposition testimony from Chamberlain witnesses and other documents suggest that additional responsive materials exist. Accordingly, Defendants respectfully request that the Court compel Chamberlain to make a fulsome collection and production of such materials.

However,

Second, recognizing the weakness of its prior conception defense, Chamberlain notified Defendants shortly before the close of fact discovery about a "reconstructed prototype" made available for inspection, which Chamberlain apparently seeks to use as a demonstrative at trial to support its earlier conception proofs. While Defendants object to the use of such manufactured

material at trial, Defendants have nevertheless requested all documents and information related to this prototype, in the event Chamberlain is allowed to present it. Chamberlain refused, however,

Defendants thus request that the

Court compel Chamberlain to produce all materials and information related to this prototype, or in the alternative, that Chamberlain be precluded from relying on this prototype at trial.

Finally, Chamberlain's privilege log includes entries that,

However, none of these entries provide sufficient information for Defendants to assess whether Chamberlain has a valid basis for withholding these materials. Defendants thus respectfully request that the Court compel

I. LEGAL STANDARD

Chamberlain to produce these materials.

"Parties may obtain discovery regarding any nonprivileged matter that is relevant to any party's claim or defense and proportional to the needs of the case" FED. R. CIV. P. 26(b)(1). "Once the moving party establishes that the materials requested are within the scope of permissible discovery, the burden shifts to the party resisting discovery" SSL Servs., LLC v. Citrix Sys., Inc., No. 2:08-cv-158-TJW, 2010 WL 547478, at *2 (E.D. Tex. Feb. 10, 2010).

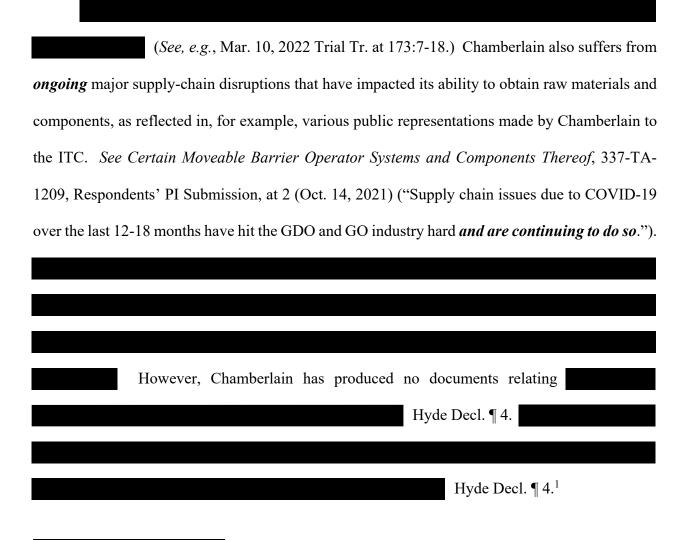
II. ARGUMENT

A. <u>Plaintiff Should Be Compelled to Produce Documents Relevant to Its Ability</u> to Make Sales That Were Purportedly Lost Due to the Alleged Infringement

Because Chamberlain seeks damages for lost profits purportedly caused by sales of the accused products—including sales made since the prior close of fact discovery—Chamberlain must prove that, but for infringement, it could have made the sales it supposedly lost, including by

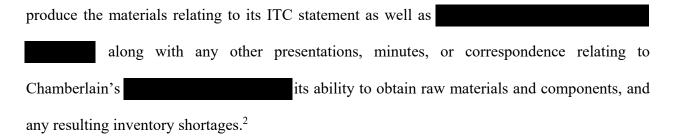
demonstrating it had sufficient "manufacturing capacity." *E.g.*, *Micro Motion, Inc. v. Kane Steel Co.*, 894 F.2d 1318, 1322 (Fed. Cir. 1990). However, Chamberlain's production concerning facts bearing on its ability to satisfy customer demand has been very limited, omitting documents its own employees confirm exist, as well as documents that must exist, if representations made by Chamberlain's leadership to the public and to the ITC are to be believed.

1. Documents Concerning Chamberlain's Chamberlain's Inability to Obtain Raw Materials and Components, and Other Factors Impacting Chamberlain's Manufacturing Capacity, As Well As Resulting Inventory Shortages



¹ Indeed, as far as documents relating to Chamberlain's manufacturing shutdown are concerned, Chamberlain has produced only: (a) a few public announcement relating to Chamberlain's COVID

While Chamberlain's counsel argued during meet and confers that its limited production
of emails and COVID-related documents is sufficient and that no additional relevant documents
exist,
Moreover,
, Chamberlain itself represented to the ITC that it is
still being affected by ongoing global supply issues. See supra ("Supply chain issues due to
COVID-19 over the last 12-18 months have hit the GDO and GO industry hard and are continuing
to do so."). Yet Chamberlain produced no materials evidencing these ongoing supply constraints
that it referenced in its sworn statement to the Commission.
Defendants thus respectfully request the Court compel Chamberlain to search for and
shutdown; (



2. Documents and Information Concerning the Impact of the ITC's Exclusion Order on Chamberlain's Ability to Meet Demand

Chamberlain's ability to satisfy customer demand has further been impacted by the ITC having entered an exclusion order against Chamberlain in February of 2022 (after the prior close of fact discovery). *See, e.g.*, 87 Fed. Reg. 31 (Feb. 15, 2022). Before and after this exclusion order, Chamberlain repeatedly asserted the order's effects would be devastating to Chamberlain's sales. For example, in a letter sent to Senators Tammy Duckworth and Dick Durbin, Chamberlain CEO Jeff Meredith pleaded for governmental intervention to modify the exclusion order, stating that "[w]ithout action from the Biden Administration to press the ITC to modify these orders, Chamberlain will be forced to pull *millions* of garage door and security gate openers across the United States on April 10, 2022." Hyde Decl. ¶ 5 (emphasis added). Mr. Meredith made similar pleas in the press, stating in a Chicago Sun Times op-ed that the exclusion order would have such an extensive impact on sales that it could threaten more than 700 Chamberlain employees' jobs.³

One would expect that these representations by Chamberlain would be supported by

² During a subsequent meet and confer, Chamberlain represented that it would produce the materials identified However as of the filing of this motion, no materials have been produced. To the extent that Chamberlain follows through with this production, Defendants will notify the Court as to whether any portion of this motion has been mooted.

³ How Biden can help this suburban company tackle inflation, supply chain woes, Jeff Meredith, Chicago Sun Times (March 32, 2022) available at https://chicago.suntimes.com/2022/3/31/23003492/supply-chain-inflation-home-construction

internal documents, including documents assessing the impact of the ITC's exclusion order on sales. Yet, in response to Defendants' requests for such documents, Chamberlain has produced *nothing* concerning the harm it claimed it would suffer as a result of the ITC exclusion order. It is simply not credible that Chamberlain has no documents in its possession regarding the complete exclusion of its products from the United States market, particularly in view of Chamberlain's plethora of representations to the public and the Commission that an exclusion order would result in significant supply interruptions to its customers and lost sales to Chamberlain. Chamberlain's CEO presumably would not have made these representations without some concrete materials provided to him—e.g., management presentations, meeting minutes, or other internal analysis.

In short, Chamberlain has been talking out of both sides of its mouth, telling the public and the Commission that it has and will suffer severe financial and business harm as a result of any exclusion order, and then telling a different story in support of its lost-profits claims here: that it suffered no harm as a result of the exclusion order and could have easily met not only the demand for its own products, but that for Defendants' products as well. Defendants thus respectfully request that the Court compel Chamberlain to search for and produce the materials relating to the representations it made to the Commission and to the public regarding sales losses and customer losses associated with the ITC exclusion order, and that Chamberlain further be compelled to supplement its interrogatory response to provide any relevant information on this subject matter.

B. Chamberlain Should Be Compelled to Produce Information Relating to Its "Reconstructed Prototype"

Because Chamberlain was unable to produce a prototype (or any other document) supporting its prior conception during the previous trial, just over one week before the close of this fact discovery during the retrial period, Chamberlain produced what it called a "reconstructed prototype"—i.e., a prototype made specifically for this litigation—that it wants to use to try and

prove an earlier conception date for the '404 patent. Hyde Decl., ¶ 6.

While this "prototype" is not admissible evidence in the first place—and should ultimately be excluded regardless of the Court's ruling on this motion—Chamberlain should be required to produce any communications and documents relating to its creation.

Cf., e.g., Acantha LLC v. DePuy, 2017 WL 5186376, at *5 (E.D. Wis. Nov. 8, 2017) ("[B]y using certain portions of its attorney-client communications as evidence of its conception and diligence, it has placed its communications with its patent attorneys at issue....").

C. Chamberlain Should Be Compelled to Produce Certain Withheld Documents Reflected on Its Privilege Log

Finally, appearing on Chamberlain's privilege log is

and each of these entries lacks sufficient information to evaluate Chamberlain's privilege claim. For example, for each of these entries, Chamberlain has not identified the attorneys involved in the allegedly privileged communications. *See* Hyde Decl., Ex. B (snapshot of CGI's privilege log); *see also AbbVie Inc. v. Boehringer Ingelheim Int'l GmbH*, No. 17-CV-01065-MSG-RL, 2019 WL 917990, at *5 (D. Del. Feb. 25, 2019) (explaining that a privilege log entry must include "the name of the attorney involved in the communication or preparation of the document"). Because Chamberlain has failed to adequately support its claim of privilege, production of these documents should be compelled, or at a minimum, should be subjected to *in-camera* review.⁴

⁴ The parties are continuing to work to resolve this dispute. However, to date, Chamberlain has not supplemented its privilege log or produced the relevant materials.

Dated: June 20, 2022 Respectfully submitted,

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ATTORNEYS FOR DEFENDANTS OVERHEAD DOOR CORPORATION AND GMI HOLDINGS INC. **CERTIFICATE OF CONFERENCE**

This is to certify that counsel has complied with the meet and confer requirement in local

rule CV-7(h) and this motion is opposed. A personal conference required by this rule was

conducted telephonically on June 17, 2022 between counsel for Plaintiff, Benjamin Elacqua, Kate

Quisenberry, and Travis Underwood, and counsel for Defendants, David K. Callahan, Bradley

Hyde, Aaron Macris, and Michael Smith. On the meet and confer counsel for Plaintiff confirmed

that they opposed the present motion and have not produced the requested documents.

/s/ David K. Callahan

David K. Callahan

CERTIFICATE OF SERVICE

I certify that on June 20, 2022 all counsel of record who are deemed to have consented to

electronic service were served with a copy of this document via the Court's CM/ECF System

according to the applicable Federal Rules of Civil Procedure.

/s/ David K. Callahan

David K. Callahan

CERTIFICATE OF AUTHORIZATION TO SEAL

Per CV-5(a)(7)(B), the Court already has granted authorization to seal confidential

documents, and Defendants are filing the associated briefing and certain exhibits under seal

pursuant to the protective order entered in the case.

/s/ David K. Callahan

David K. Callahan

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